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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 2, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

PROCESSED BY
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Commission file no. 0-14681

J. BAKER, INC.

(Exact name of Registrant as specified in its Charter)

Massachusetts	04-2866591
(State of Incorporation)	(I.R.S. Employer Identification No.)

65 Sprague Street, Readville, Massachusetts 02137
P.O. Box 231, Hyde Park, Massachusetts 02136
(Address of Principal Executive Offices)

Registrant's telephone number, including area code
(617) 364-3000

BEST COPY AVAILABLE

The registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO _

The number of shares outstanding of the registrant's common stock as of May 2, 1992 was 10,641,660.

J. BAKER, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
May 2, 1992 (Unaudited) and February 1, 1992

	May 2, 1992	February 1, 1992
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,429,183	$ 2,539,749
Accounts receivable	32,782,430	27,992,555
Merchandise inventories	176,780,857	162,845,546
Prepaid expenses	6,004,936	4,509,478
Total current assets	216,997,406	197,887,328
Property and equipment at cost	71,584,965	67,497,125
Less: accumulated depreciation and amortization	30,381,987	28,206,737
	41,202,978	39,290,388
Other assets	58,775,815	59,525,892
	$316,976,199	$296,703,608
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long term debt	$ 5,000,000	$ 5,000,000
Accounts payable	86,574,406	88,603,609
Accrued expenses	3,587,169	5,173,156
Income taxes payable	388,773	-
Total current liabilities	95,550,348	98,776,765
Deferred income taxes	8,827,000	8,827,000
Other liabilities	762,360	794,520
Excess of net assets over cost of acquired business	3,416,185	3,778,285
Long term debt	68,400,000	45,800,000
Senior subordinated debt	33,762,805	33,714,605
Stockholders' equity	106,257,501	105,012,433
	$316,976,199	$296,703,608

See accompanying notes.

J. BAKER, INC. AND SUBSIDIARIES
Statements of Consolidated Earnings
For the Quarters Ended May 2, 1992 and May 4, 1991
(Unaudited)

	Quarter Ended May 2, 1992	Quarter Ended May 4, 1991
Sales	$109,382,967	$108,632,596
Cost of Sales	63,516,279	63,378,746
Gross Profit	45,866,688	45,253,850
Selling, Administrative & General Expenses	37,696,467	37,858,249
Depreciation and Amortization	3,428,651	3,155,000
Operating Income	4,741,570	4,240,601
Net Interest Expense	2,280,759	2,663,088
Earnings Before Income Taxes	2,460,811	1,577,513
Taxes on Earnings	910,000	560,000
Net Earnings	$ 1,550,811	$ 1,017,513
Net Earnings per Share	$ .15	$ .10
Number of Shares Used to Compute Net Earnings per Share	10,635,781	10,189,797
Dividends Declared per Share	$ .015	$ .015

See accompanying notes.

J. BAKER, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Quarters Ended May 2, 1992 and May 4, 1991
(Unaudited)

	May 2, 1992	May 4, 1991
Cash flows from operating activities:		
Net earnings	$ 1,550,811	$ 1,017,513
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization:		
Fixed assets	2,175,250	1,917,000
Deferred charges, intangible assets and deferred financing costs	1,301,600	1,280,750
Change in:		
Accounts receivable	(4,789,875)	(5,308,900)
Merchandise inventories	(13,935,311)	(5,657,923)
Prepaid expenses	(1,495,458)	(1,029,994)
Accounts payable	(2,029,203)	1,485,284
Accrued expenses	(1,585,987)	(2,262,273)
Income taxes payable	388,773	396,000
Other liabilities	(32,160)	(11,966)
Net cash used in operating activities	(18,451,560)	(8,174,509)
Cash flows from investing activities:		
Capital expenditures for:		
Furniture and fixtures	(4,087,840)	(1,595,177)
Other assets	(565,423)	(1,776,067)
Net cash paid in acquisition of Casual Male	(300,000)	(383,064)
Additional amount paid in connection with acquisition of WearGuard stores	(230,987)	-
Net cash used in investing activities	(5,184,250)	(3,754,308)
Cash flows from financing activities:		
Proceeds from issuance of debt	22,600,000	6,400,000
Proceeds from issuance of common stock	84,863	3,015
Payment of dividends	(159,619)	(152,842)
Net cash provided by financing activities	22,525,244	6,250,173
Net decrease in cash and cash equivalents	(1,110,566)	(5,678,644)
Cash and cash equivalents at beginning of period	2,539,749	5,948,694
Cash and cash equivalents at end of period	$ 1,429,183	$ 270,050
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 3,885,065	$ 4,389,171
Cash paid (received) for income taxes, net	$ (59,607)	$ 159,223

See accompanying notes.

J. BAKER, INC. AND SUBSIDIARIES
NOTES

1] The accompanying unaudited consolidated financial statements, in the opinion of management, include all adjustments (which consist only of recurring accruals) necessary for a fair presentation of the Company's financial position and results of operations. Certain reclassifications have been made to the consolidated financial statements of prior years to conform to the current presentation. The results for the interim periods are not necessarily indicative of results that may be expected for the entire fiscal year.

2] Net earnings per share is based on the weighted average number of shares of Common Stock outstanding. Stock options are excluded from the calculation since they have less than a 3% dilutive effect.

3] On April 26, 1990, Ames Department Stores, Inc. ("Ames"), a principal licensor of the Company, filed for protection under Chapter 11 of the Bankruptcy Code. Subsequent to the bankruptcy filing, Ames closed 227 stores during the year ended February 2, 1991, and the Company liquidated its inventory in those stores.

During the first quarter of fiscal 1993 Ames closed an additional 77 stores and the Company liquidated its inventory in these stores. Sales in these units were $18.2 million in the year ended February 1, 1992 and $1.7 million and $4.1 million in the quarters ended May 2, 1992 and May 4, 1991, respectively.

At the time of the bankruptcy filing, the Company had outstanding accounts receivable of $13.7 million due from Ames. In addition, carried on the consolidated balance sheet at May 2, 1992 in Other Assets are deferred lease acquisition costs of $28.4 million attributable to the license agreement with Ames, which agreement expires in 2009.

Under bankruptcy law, Ames has the option of continuing (assuming) the existing license agreement with the Company or terminating (rejecting) that agreement. Pending Ames' election, the Company continues to operate in the remaining 371 Ames stores. The Company intends to continue to amortize the deferred lease acquisition costs of the license agreement with Ames over the remaining term of the agreement, since the Company believes, based on its assessment of the likelihood and level of ongoing business with Ames, that the value of the license agreement exceeds the historical carrying cost at May 2, 1992. Any closing by Ames of additional stores will likely reduce the value of the Ames license agreement to a level below the current carrying value of the deferred lease acquisition costs. This would result in a non-operational and non-cash write-down of the asset, which would be reflected in the Company's earnings. The amount of the write-down would depend on the Company's historical sales volume in the closed stores.

If the license agreement is assumed by Ames, Ames must cure all defaults under the agreement and the Company would collect in full the outstanding past due accounts receivable. The Company has no assurance that the agreement will be assumed or that Ames will continue in business. Although the Company believes that rejection of the license agreement or cessation of Ames' business is not probable, in the event that the agreement with Ames is rejected, or Ames does not continue in business, the Company believes that it will have a substantial claim against Ames for damages. If such a claim is necessary, the amount realized by the Company, relative to the carrying values of Ames-related assets, will be based on the facts and circumstances at such time.

4] On September 25, 1991, the Company purchased from WearGuard Corporation approximately $5.3 million in assets for 415,723 shares of the Company's common stock. Pursuant to the terms of the transaction, during the quarter ended May 2, 1992 the Company was required to pay additional cash consideration of $230,987 to WearGuard Corporation as the amount by which the average price at which WearGuard Corporation sold its acquired shares during a 90 day period beginning on November 27, 1991 was less than $12.64 per share. The acquired assets consist primarily of the inventory and fixed assets of the 29 WearGuard retail stores acquired by the Company. The Company also assumed the leases to each of the acquired stores and acquired a license to operate retail stores under the WearGuard name.

The acquired WearGuard stores specialize in providing rugged, durable clothing and footwear designed for the working man as well as uniforms for nurses and laboratory technicians. The WearGuard retail stores generated sales of $5.0 million in the quarter ended May 2, 1992.

J. BAKER, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

All references to fiscal 1993 and fiscal 1992 relate to the years ending January 30, 1993 and February 1, 1992, respectively.

First Quarter Fiscal 1993 versus First Quarter Fiscal 1992

In the first quarter of fiscal 1993, net sales increased by $750,000 or 0.7% over net sales in the first quarter of fiscal 1992. This was primarily attributable to an increase in sales of $10.3 million in the Company's newly acquired specialty apparel operations. The increase in sales in the apparel operations was primarily attributable to $5.0 million in sales in the newly acquired WearGuard chain, an increase of 22.0% in comparable apparel store sales (comparable apparel store sales increases/decreases are based upon comparisons of weekly sales volume in apparel units which were open in corresponding weeks of the two comparison periods) and an increase in the number of Casual Male stores in operation during the period. The increase in sales was partially offset by a decrease of $9.6 million in sales in the Company's footwear operations. This decrease was primarily attributable to a decrease in the average number of retail licensed shoe department locations operated during the period and a 6.9% decrease in comparable retail footwear store sales. (Comparable retail footwear store sales increases/decreases are based upon comparisons of weekly sales volume in licensed departments and Parade of Shoes stores which were open in corresponding weeks of the two comparison periods.) The sales decrease in the footwear operations was partially offset by an increase in wholesale sales.

Cost of sales constituted 58.1% of sales in the first quarter of fiscal 1993 as compared to 58.3% in the first quarter of fiscal 1992. The decrease was attributable primarily to an increase in apparel sales which have a lower cost of sales as compared to footwear sales. This decrease was partially offset by an increase in markdowns. The cost of sales for the footwear and apparel operations was 60.0% and 52.4% in the first quarter of fiscal 1993 as compared to 60.1% and 51.9% in the first quarter of fiscal 1992, respectively.

Selling, administrative and general expenses decreased $162,000 or 0.4% as compared to the first quarter of fiscal 1992. As a percentage of sales, selling, administrative and general expenses were 34.5% in the first quarter of fiscal 1993 as compared to 34.8% in the first quarter of fiscal 1992. This percentage decrease was primarily due to a comparable store sales increase in apparel operations, which caused fixed selling, administrative and general expenses to be a lower percentage of sales than in the prior period, which was partially offset by a relative increase in sales in the apparel operations, which have higher selling, administrative and general expenses as compared to footwear sales.

Depreciation and amortization expense increased by $274,000 in the first quarter of fiscal 1993 over the first quarter of fiscal 1992 due to an increase in depreciable and amortizable assets.

As a result of the above described effects, the Company's operating income increased 11.8% to $4.7 million in the first quarter of fiscal 1993. As a percentage of sales, operating income was 4.3% in the first quarter of fiscal 1993 as compared to 3.9% in the first quarter of fiscal 1992.

Net interest expense decreased to $2.3 million in the first quarter of fiscal 1993 from $2.7 million in the first quarter of fiscal 1992. This decrease was due to a lower level of borrowing and lower interest rates on amounts borrowed in the first quarter of fiscal 1993 as compared to the first quarter of fiscal 1992.

Taxes on earnings for the first quarter of fiscal 1993 were $910,000, yielding an effective tax rate of 37.0%, as compared to taxes of $560,000, yielding an effective rate of 35.5% in the first quarter of fiscal 1992.

Net earnings for the first quarter of fiscal 1993 were $1.6 million as compared to net earnings of $1.0 million in the first quarter of fiscal 1992, an increase of 52.4%.

Financial Condition

May 2, 1992 versus February 1, 1992

The increase in net accounts receivable at May 2, 1992 from February 1, 1992 is primarily due to seasonal factors, April licensed sales being greater than January sales. Included in net accounts receivable for both periods is the $13.7 million pre-petition receivable due from Ames.

Under bankruptcy law, Ames has the option of continuing (assuming) the existing license agreement with the Company or terminating (rejecting) that agreement. Pending Ames' election, the Company continues to operate in the remaining 371 Ames stores. The Company intends to continue to amortize the deferred lease acquisition costs of the license agreement with Ames over the remaining term of the agreement, since the Company believes, based on its assessment of the likelihood and level of ongoing business with Ames, that the value of the license agreement exceeds the historical carrying cost at May 2, 1992. Any closing by Ames of additional stores will likely reduce the value of the Ames license agreement to a level below the current carrying value of the deferred lease acquisition costs. This would result in a non-operational and non-cash write-down of the asset, which would be reflected in the Company's earnings. The amount of the write-down would depend on the Company's historical sales volume in the closed stores.

If the license agreement is assumed by Ames, Ames must cure all defaults under the agreement and the Company would collect in full the outstanding pre-petition accounts receivable. The Company has no assurance that the agreement will be assumed or that Ames will continue in business. Although the Company believes that rejection of the license agreement or cessation of Ames' business is not probable, in the event that the agreement with Ames is rejected, or Ames does not continue in business, the Company believes that it will have a substantial claim against Ames for damages. If such a claim is necessary, the amount realized by the Company, relative to the carrying values of Ames-related assets, will be based on the facts and circumstances at such time.

Merchandise inventories at May 2, 1992 were higher than at February 1, 1992 as a result of a seasonal increase in the average inventory level per retail location. The increase in inventory was partially offset by a decrease in the number of licensed departments.

At May 2, 1992 long-term debt increased over the balance at February 1, 1992 due to borrowings under the Company's revolving line of credit for seasonal working capital needs.

Liquidity and Capital Resources

The Company has a $120 million revolving credit facility on an unsecured basis with Shawmut Bank, N.A., The First National Bank of Boston, The First National Bank of Chicago, Citibank, N.A. and Fleet National Bank (the "Banks"). As a result of an amendment to this facility dated June 28, 1991, the aggregate commitment amount will be reduced by $5 million on each of July 1, 1992 and January 1, 1993. Another provision of this amendment states that the aggregate commitment amount will be reduced by the amount of any pre-petition receivables due from Ames which are paid to the Company, up to a maximum reduction under the provision of $5 million. Borrowings under the revolving credit facility bear interest at variable rates and, at the discretion of the Company, can be in the form of loans, bankers' acceptances and letters of credit. This facility expires in June 1993. As of May 2, 1992, the Company had outstanding obligations under the revolving credit facility of $114.5 million, consisting of loans, obligations under bankers' acceptances and letters of credit.

On April 29, 1989, the Company purchased from Ames the inventory and fixtures of the shoe departments of the Zayre division and the aforementioned license rights for $60.6 million. This purchase was initially financed primarily by a $59.6 million subordinated note from Ames at an interest rate of 13.875%. The Company replaced the Ames note on June 21, 1989 with a $60 million long-term financing package consisting of $25 million senior notes at an interest rate of 10.53%, payable in five equal annual installments of $5 million beginning in 1992, and $35 million senior subordinated notes due 1999 at an interest rate of 11.21%, payable in five equal annual installments of $7 million beginning in 1995. The senior subordinated notes were issued with warrants to purchase in the aggregate 600,000 shares of the Company's common stock at a price of $20 per share.

On May 20, 1992, the Company filed a registration statement relating to the offering of up to $74,750,000 aggregate principal amount of convertible subordinated notes due 2002. The proceeds of the offering will be used to retire primarily higher interest rate indebtedness and pay associated redemption premiums.

The Company believes that amounts available under its revolving credit facility, along with internally generated funds, will be sufficient to meet its operating and capital requirements under ordinary circumstances, through the end of the current fiscal year.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) The Exhibits in the Exhibit Index are filed as part of this report.

(b) No reports on Form 8-K were filed by the registrant during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to b
signed on its behalf by the undersigned thereunto duly authorized.

J. BAKER, INC.

By: _____
Alan I. Weinstein
Senior Executive Vice President
(Duly Authorized Officer)

Date: Readville, Massachusetts
May 14, 1992

By: _____
Philip Rosenberg
Executive Vice President,
Treasurer and Corporate
Controller
(Chief Accounting Officer)

Date: Readville, Massachusetts
May 14, 1992

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

EXHIBITS

Filed with

Quarterly Report on Form 10-Q

of

J. BAKER, INC.

65 Sprague Street

Readville, MA 02137

For the Quarter ended May 2, 1992

EXHIBIT INDEX

Exhibit		Page No.
11.	Computation of Primary and Fully Diluted Earnings Per Share	13
19.	Previously Unfiled Documents	
(.01)	Hudson Executive Employment Agreement dated September 30, 1991, attached.	14
(.02)	Connelly Executive Employment Agreement dated September 30, 1991, attached.	21

EXHIBIT 11
J. BAKER, INC. AND SUBSIDIARIES
Computation of Primary and Fully Diluted Earnings Per Share */
(Unaudited)

	Quarter Ended May 2, 1992	Quarter Ended May 4, 1991
Net Income	$ 1,550,811	$ 1,017,513
PRIMARY:		
Weighted average number of common shares outstanding	10,635,781	10,189,797
Earnings per share	$0.146	$0.100
ASSUMING FULL DILUTION:		
Shares:		
Weighted average number of common shares outstanding	10,635,781	10,189,797
Dilutive effect of outstanding stock options	249,933	110,965
Weighted average number of common shares as adjusted	10,885,714	10,300,762
Earnings per share	$0.143	$0.099

*/ This calculation is submitted in accordance with Item 601(b)(11) of Regulation S-K. According to Accounting Principles Board Opinion No. 15, fully diluted earnings per share are not presented in the Company's Statements of Consolidated Earnings as they reduce primary earnings per share by less than 3%.

Exhibit 19.01

EXECUTIVE EMPLOYMENT AGREEMENT

This Agreement is dated as of September 30, 1991 by and among Charles P. Hudson (the "Employee"), J. BAKER, INC., a Massachusetts Corporation (the "Company") and Parade of Shoes, a division of JBI, Inc., a Massachusetts corporation and wholly owned subsidiary of the Company ("Parade").

WHEREAS, the Employee, the Company and Parade desire to set forth in writing the terms and conditions of the Employee's employment agreement with the Company and Parade from the date hereof;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Employment. Under and subject to the terms and conditions set forth herein, the Company and Parade hereby agree to employ the Employee during the Term (as defined in Section 6 hereof) as the President of Parade and as an Executive Vice President of the Company, respectively, and/or in such other executive management position(s) with the Company or Parade, or any parent or subsidiary of the Company or Parade, as the Board of Directors of the Company (the "Board") or the Board of Directors of Parade may determine from time to time, and the Employee hereby accepts such employment.

2. Duties. The Employee agrees, during the Term and any extension of the Term, faithfully to perform for the Company and Parade and any subsidiary or parent of the Company or Parade, such duties of an executive as may be assigned to him from time to time by any such entity; to devote his entire business time, attention and energies exclusively to such employment; and to conform to the rules, regulations, instructions, personnel practices and policies of the Company and its subsidiaries, as existing and amended from time to time. The Employee may be required to relocate his principal residence only to an area in which the Company or a subsidiary of the Company has or determines to have significant operations.

3. Compensation.

(a) Base Salary. Parade shall pay the Employee during the Term (as defined in Section 6 hereof) an annual base salary of not less than $210,000, payable no less often than monthly, in equal installments.

(b) Cash Incentive Compensation. In addition to his annual base salary as determined pursuant to Section 3(a), during the Term, Parade shall pay to the Employee a guaranteed bonus payment (the "Guaranteed Bonus Payment") equal to $30,000 per year, prorated, in the case of any partial year of employment, to such portion of the year employed, and payable no later than 60 days after the Company's year end. The Employee shall also participate in the Company's Cash Incentive Compensation Plan (the "Incentive Plan"), based on a Base Pay Percentage (as defined in the Incentive Plan) of 35%, as from time to time such plan may be amended; provided, however, that any amounts to which the Employee would be entitled under the Incentive Plan with respect to any fiscal

year of the Company, (the "Incentive Bonus") shall be reduced by the amount of the Guaranteed Bonus Payment received by the Employee during such fiscal year. All amounts payable to the Employee pursuant to the Incentive Plan shall be paid by Parade rather than the Company.

4. Other Benefits.

(a) Fringe Benefits. Except as otherwise provided in Section 3(b) hereof, the Employee shall be entitled to participate in all benefit programs that the Company establishes and makes available to management generally and in any event shall be entitled to receive benefits at least substantially comparable to those provided pursuant to the present practices of the Company and its subsidiaries.

(b) Paid Vacations. The Employee shall be entitled to an annual paid vacation of three (3) weeks in each calendar year, to be taken at such time or times as the Employee and the Company shall mutually agree, provided, however, that no more than two weeks shall be taken during any three-month period unless otherwise agreed upon by the Company's Chief Executive Officer.

5. Expenses. Parade shall reimburse the Employee for all reasonable travel, entertainment and other business expenses incurred or paid by the Employee in performing his duties under this Agreement upon presentation by the Employee of expense statements or vouchers and such other supporting information as Parade or the Company may from time to time request, provided, however, that the amount available for such expenses may be fixed in advance by the Board after consultation with the Employee. Parade shall also pay or reimburse the reasonable relocation expenses of the Employee (consistent with the present policies of the Company) in connection with a relocation of the Employee's principal residence outside of the EasternMassachusetts area as may be required by the Company or Parade pursuant to Section 2 hereof.

6. Effective Date and Term. This Agreement shall become effective as of the date hereof and the Employee's employment under this Agreement shall commence on such date and, unless sooner terminated as provided herein or extended, shall continue for a term (the "Term") ending on September 30, 1993. The Employee, the Company and Parade have obligations hereunder extending past the Term.

7. Noncompetition.

(a) During the Employee's employment under this Agreement and, in the event the Employee's employment is terminated without cause or if the Employee voluntarily terminates his employment with the Company and Parade, for the remainder of the Term, the Employee will not, without the express written consent of the Company, anywhere in the United States or any territory or possession thereof or in any foreign country in which any of the Shoe Companies (as defined in Section 7(b) hereof) were active as of the Termination Date: (i) compete with any of the Shoe Companies or any other entity then directly or indirectly controlled by the Company or Parade (each an "Affiliate"), in the Shoe Business (as defined in Section7(d) hereof); or (ii) otherwise interfere

with, disrupt or attempt to interfere with or disrupt the relationship between any of the Shoe Companies and any person or business that was a customer, supplier, lessor, licensor, manufacturer, contractor, designer or employee of any of the Shoe Companies on the Termination Date or within two years prior to the Termination Date.

(b) For a period of two (2) years following the date of termination of employment hereunder for any reason whatsoever, (the "Termination Date"), the Employee will not, without the express written consent of the Company, recruit, solicit or induce, or attempt to induce, any employee or employees of the Company or Parade to terminate their employment with, or otherwise change their relationship with, the Company or Parade.

(c) The terms "Shoe Company" or "Shoe Companies" shall mean the Company, Parade and any other Affiliate of the Company or Parade which is then engaged in the Shoe Business.

(d) The term "compete" as used in this Section 7 means directly or indirectly, or by association with any entity or business, either as a proprietor, partner, employee, agent, consultant, director, officer, shareholder (provided that the Employee may make passive investments in competitive enterprises the shares of which are listed on a national securities exchange if the Employee at no time owns directly or indirectly more than 2% of the outstanding equity ownership of such enterprise) or in any other capacity or manner to (i) solicit, hire, purchase from, sell to, rent from or otherwise conduct business related to the Shoe Business (as defined in Section 7(d) hereof) with any party that is a customer or supplier of the Company or an Affiliate or (ii) operate any retail store which sells products related to the Shoe Business (as defined in Section 7(d) hereof).

(e) The term "Shoe Business" as used in this Section 7 means (i) any business in which the Company, Parade, or an Affiliate is engaged on the Termination Date related to the wholesale or retail sale or distribution of shoes, and (ii) any business related to the wholesale or retail sale or distribution of shoes in which the Company, Parade, or an Affiliate is actively planning to become engaged on the Termination Date.

(f) The term "supplier" as used in this Section 7 shall mean any party or affiliate of a party from which, on the Termination Date or within one year prior to the Termination Date, any Shoe Company purchased products sold by any Shoe Company or was in contact or actively planning to contact in connection with the purchase of products sold by any Shoe Company was contemplating the sale of at some time after the Termination Date.

(g) The term "customer" as used in this Section 7 shall mean any party or affiliate of a party which, on the Termination Date or within one year prior to the Termination Date, was a wholesale vendee or prospective wholesale vendee of any of the Shoe Companies.

8. Confidential Information. The Employee will never use for his own advantage or disclose any proprietary or confidential information relating to the business operations or properties of the Company or Parade, any Affiliate thereof or any of their respective customers, suppliers, landlords, licensors or licensees. Upon termination of the Employee's employment, the Employee will surrender and deliver to the Company all documents and information of every kind relating to or connected with the Company or Parade and its Affiliates and their respective businesses, customers, suppliers, landlords, licensors and licensees.

9. Termination.

(a) Death. In the event of the death of the Employee during the Term, his employment shall terminate and Parade shall pay to the Employee's surviving spouse, or to the Employee's estate if there is no surviving spouse, (i) the Employee's base salary for one year from the date of death and (ii) the Incentive Bonus, if any, payable with respect to the fiscal year in which his death occurs which otherwise would have been paid to the Employee on the basis of the results for the fiscal year in which his death occurs, prorated to the date of his death. Upon the death of the Employee, the rights of the Employee's surviving spouse or estate hereunder, as the case may be, shall be limited solely to the benefits set forth in this Section 9(a).

(b) Disability. In the event that the Employee shall become disabled (as hereinafter defined), the Company and Parade shall have the right to terminate the Employee's employment upon written notice, provided, however, that if the Company and Parade exercise such right, Parade shall continue to pay the Employee's base salary, less any disability insurance benefits received by the Employee, and to provide the other benefits to which the Employee is entitled under Section 4 of this Agreement for one year after such termination, and shall pay the Guaranteed Bonus Payment and the Incentive Bonus, if any, which otherwise would have been paid to the Employee on the basis of the results for the fiscal year in which such termination occurs, prorated to the date of such termination. For purposes of this Agreement, the Employee shall be considered disabled on the date when physical or mental illness or other incapacity shall, in the judgement of a majority of the members (other than the Employee) of the Board, after consulting with or being advised by one or more physicians (it being understood that one of such physicians may be the Employee's physician but that the Board shall not be bound by his or her views), have prevented the performance in a manner reasonably satisfactory to the Company and Parade of the Employee's duties under this Agreement for a period of six consecutive months.

(c) For Cause. The Company or Parade may by notice terminate the Employee's employment hereunder at any time for cause, which shall mean (i) failure by the Employee to cure a material breach of this Agreement within 15 days after written notice thereof by the Company or (ii) willful misconduct by the Employee in the performance of the Employee's duties hereunder or (iii) the commission by the Employee of any act constituting a felony. In such event all obligations of the Company and Parade hereunder shall thereupon terminate, including the obligations to pay any Guaranteed Bonus Payment or Incentive

Bonus with respect to the fiscal year in which such termination occurs, but the Employee shall be entitled to receive any accrued salary and other bonuses accrued with respect to any prior fiscal years.

(d) Without Cause. The Company or Parade may by notice terminate the Employee's employment hereunder at any time without cause. In such event Parade shall continue to pay the Employee's base salary for the remainder of the Term and provide the other benefits to which the employee is entitled under Section 4 of this Agreement. In addition, Parade shall pay the Guaranteed Bonus Payment prorated to the expiration of the Term.

10. Approval of Board. The Company and Parade represent that this Agreement has been duly approved by their respective Boards of Directors and is in all respects valid and binding upon them.

11. Key Person Insurance. The Employee agrees to take such actions as may be reasonably required to permit the Company or Parade to maintain key person life insurance on the Employee's life in such amounts and for such periods of time, if any, as the Company or Parade deems appropriate, with all benefits being payable to the Company or Parade. Upon payment by the Employee of the cash surrender value, if any, of any such policy and any paid but unearned premiums for such policy, the Company or Parade, as the case may be, will assign such policy to the Employee upon termination (other than because of the Employee's death) of the Employee's employment with the Company and Parade, provided, however, that, in the event the Employee's employment is terminated by reason of the disability of the Employee and the death of the Employee may reasonably be expected within one year after such termination as a result of such disability, the Compny or Parade, as the case may be, shall not be required to assign any such policy.

12. Notices. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be deemed to have been given and received when actually delivered, one business day after dispatch by telegraphic means, two business days after dispatch by recognized overnight delivery service, or five days after mailing by certified or registered mail with proper postage affixed, return receipt requested and addressed as follows (or to such other address as a party entitled to receive notice hereunder may have designated by notice pursuant to this Section 12):

(a) If to the Company:

J. Baker, Inc.
65 Sprague Street
Readville, Massachusetts 02137
Attn: President

(b) If to Parade:

Parade of Shoes, a division of JBI, Inc.
65 Sprague Street
Readville, Massachusetts 02137
Attn: Chief Financial Officer

(c) If to the Employee:

Charles P. Hudson
3 Rocky Brook Road
Dover, Massachusetts 02030

13. Severability. If any provision of this Agreement or its application to any person or circumstances is invalid or unenforceable, then the remainder of this Agreement or the application of such provision to other persons or circumstances shall not be affected thereby. Further, if any provision or application hereof is invalid or unenforceable, then a suitable and equitable provision shall be substituted therefor in order to carry out so far as may be valid or enforceable the intent and purposes of the invalid and unenforceable provision.

14. Applicable Law. This Agreement shall be interpreted and construed in accordance with, and shall be governed by, the laws of the Commonwealth of Massachusetts without giving effect to the conflict of law provision thereof.

15. Assignment. None of the parties hereto shall, without the written consent of the others, assign or transfer this Agreement or any rights or obligations hereunder, provided, however, that in the event that the Company sells a majority of the common stock of Parade in one or more of a series of related transactions or either the Company or Parade sells all or substantially all of its assets, the Company and Parade may assign their rights and transfer their obligations hereunder to the purchaser of such stock or such assets. A merger of the Company or Parade with or into another corporation shall be deemed not to be an assignment of this Agreement, and, in any such event, this Agreement shall inure to the benefit of and be binding upon the surviving corporation and the Employee. Subject to the foregoing, this Agreement shall be binding upon, and shall inure to the benefit of, the parties and their respective successors, heirs, administrators, executors, personal representatives and assigns.

16. Headings. The section and paragraph headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

17. Remedies. It is specifically understood and agreed that any breach of the provisions of Section 7 or 8 of this Agreement is likely to result in irreparable injury to the Company and Parade, that damages at law will be an inadequate remedy for such breach, and that in addition to any other remedy they may have, the Company and Parade shall be entitled to enforce the specific performance of said Sections and to seek both temporary and permanent injunctive relief therefor without the necessity or proving actual damages.

18. Waiver of Breach. Any waiver by the Company, Parade or the Employee of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

19. Amendment of Agreement. This Agreement may be altered, amended or modified, in whole or in part, only by a writing signed by all of the parties hereto.

20. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter thereof and supersedes all prior agreements with respect to such subject matter between the parties.

Intending to be legally bound, the Company, Parade and the Employee have signed this Agreement as if under seal as of the date set forth at the head of the first page.

Charles P. Hudson

J. BAKER, INC.

Jerry M. Socol
President

Parade of Shoes,
a division of JBI, Inc.

Alan I. Weinstein
Chief Financial Officer

EXECUTIVE EMPLOYMENT AGREEMENT

This Agreement is dated as of November 25, 1991, by and among Tom Connelly (the "Employee"), J. BAKER, INC., a Massachusetts Corporation (the "Company") and WGS Corp., a Massachusetts corporation and wholly owned subsidiary of the Company ("WearGuard").

WHEREAS, the Employee, the Company and WearGuard desire to set forth in writing the terms and conditions of the Employee's employment agreement with the Company and WearGuard from the date hereof;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Employment. Under and subject to the terms and conditions set forth herein, the Company and WearGuard hereby agree to employ the Employee during the Term (as defined in Section 6 hereof) as the President of WearGuard stores and as an Executive Vice President of the Company, respectively, and/or in such other executive management position(s) with the Company or WearGuard, or any parent or subsidiary of the Company or WearGuard, as the Board of Directors of the Company (the "Board") or the Board of Directors of WearGuard may determine from time to time, and the Employee hereby accepts such employment.

2. Duties. The Employee agrees, during the Term and any extension of the Term, faithfully to perform for the Company and WearGuard and any subsidiary or parent of the Company or WearGuard, such duties of an executive as may be assigned to him from time to time by any such entity; to devote his entire employment; and to conform to the rules, regulations, instructions, personnel practices and policies of the Company and its subsidiaries, as existing and amended from time to time. The Employee may be required to relocate his principal residence only to an area in which the Company or a subsidiary residence only to an area in which the Company or a subsidiary of the Company has or determines to have significant operations.

3. Compensation.

(a) Base Salary. WearGuard shall pay the Employee during the Term (as defined in Section 6 hereof) an annual base salary of not less than $165,000, payable no less often than monthly, in equal installments.

(b) Cash Incentive Compensation. In addition to his annual base salary as determined pursuant to Section 3(a), during the Term, the Employee shall participate in the Company's Cash Incentive Compensation Plan (the "Incentive Plan"), based on a Base Pay Percentage (as defined in the Incentive Plan) of 35%, as from time to time such plan may be amended. All amounts payable to the Employee pursuant to the Incentive Plan shall be paid by WearGuard rather than the Company.

4. Other Benefits.

(a) Fringe Benefits. Except as otherwise provided in Section 3(b) hereof, the Employee shall be entitled to participate in all benefit programs that the Company establishes and makes available to management generally and in any event shall be entitled to receive benefits at least substantially comparable to those provided pursuant to the present practices of the Company and its subsidiaries.

(b) Paid Vacations. The Employee shall be entitled to an annual paid vacation of four weeks in each calendar year, to be taken at such time or times as the Employee and the Company shall mutually agree, provided, however, that no more than two weeks shall be taken during any three-month period unless otherwise agreed upon by the Company's Chief Executive Officer.

5. Expenses. WearGuard shall reimburse the Employee for all reasonable travel, entertainment and other business expenses incurred or paid by the Employee in performing his duties under this Agreement upon presentation by the Employee of expense statements or vouchers and such other supporting information as WearGuard or the Company may from time to time request provided, however, that the amount available for such expenses may be fixed in advance by the Board after consultation with the Employee.

6. Effective Date and Term. This Agreement shall become effective as of the date hereof and the Employee's employment under this Agreement shall commence on such date and, unless sooner terminated as provided herein or extended, shall continue for a term (the "Term") ending on January 31, 1993. The hereunder extending past the Term.

7. Noncompetition.

(a) During the Employee's employment under this Agreement, the Employee will not, without the express written consent of the Company, anywhere in the United States or any territory or possession thereof or in any foreign country in which any of the Apparel Companies (as defined in Section 7(b) hereof) were active as of the date of termination of such employment (the "Termination Date"): (i) compete with any of the Apparel Companies or any other entity then directly or indirectly controlled by the Company (each an "Affiliate"), in the Apparel Business (as defined in Section 7(d) hereof); or (ii) otherwise interfere with, disrupt or attempt to interfere with or disrupt the relationship between any of the Apparel Companies and any person or business that was a customer, supplier, lessor, licensor, manufacturer, contractor, designer or employee of any of the Apparel Companies on the Termination Date.

(b) The term "Apparel Companies" shall mean WearGuard and any other Affiliate of the Company or which is then engaged in the Apparel Business.

(c) The term "compete" as used in this Section 7 means directly or indirectly, or by association with any entity or business, either as a proprietor, partner, employee, agent, consultant, director, officer, shareholder (provided that the Employee may make passive investments in competitive enterprises the shares of which are listed on a national securities exchange if the Employee at no time owns directly or indirectly more than 2% of the outstanding equity ownership of such enterprise) or in any other capacity or manner to (i) solicit, hire, purchase from, sell to, rent from or otherwise conduct business related to the Apparel Business (as defined in Section 7(d) hereof) with any party that is a customer or supplier of the Company or an Affiliate or customer or supplier of the Company or an Affiliate or (ii) operate any retail store which sells products related to the Apparel Business (as defined in Section 7(d) hereof)

(d) The term "Apparel Business" as used in this Section 7 means (i) any business in which WearGuard, the Company or an Affiliate is engaged on the Termination Date related to the apparel business, and (ii) any business related to the apparel business in which WearGuard, the Company or an Affiliate is actively planning to become engaged on the Termination Date, but specifically excluding retail or wholesale shoe operations of the Company and its Affiliates other than WearGuard.

(e) The term "supplier" as used in this Section 7 shall mean any party or affiliate of a party from which, on the Termination Date or within two years prior to the Termination Date, any Apparel Company purchased products sold by any Apparel Company or was in contact or actively planning to contact in connection with the purchase of products sold by any Apparel Company was contemplating the sale of at some time after the Termination Date.

(f) The term "customer" as used in this Section 7 shall mean any party or affiliate of a party which, on the Termination Date or within two years prior to the Termination Date, was a wholesale vendee or prospective wholesale vendee of any Apparel Company.

8. Confidential Information. The Employee will never use for his own advantage or disclose any proprietary or confidential information relating to the business operations or properties of the Company, any Affiliate thereof or any of their respective customers, suppliers, landlords, licensors or licensees. Upon termination of the Employee's employment, the Employee will surrender and deliver to the Company all documents and information of every kind relating to or connected with the Company and its Affiliates and their respective businesses, customers, suppliers, landlords, licensors and licensees.

9. Termination.

(a) Death. In the event of the death of the Employee during the Term, his employment shall terminate and WearGuard shall pay to the Employee's surviving spouse, or to the Employee's estate if there is no surviving spouse, (i) the Employee's base salary for one year from the date of death and (ii) the incentive bonus, if any, payable with respect to the fiscal year in which his death occurs which otherwise would have been paid to the Employee on the basis of the results for the fiscal year in which his death occurs, prorated to the date of his death. Upon the death of the Employee, the rights of the Employee's surviving spouse or estate hereunder, as the case may be, shall be limited solely to the benefits set forth in this Section 9(a).

(b) Disability. In the event that the Employee shall become disabled (as hereinafter defined), the Company and WearGuard shall have the right to terminate the Employee's employment upon written notice, provided however, that if the Company and WearGuard exercise such right, WearGuard shall continue to pay the Employee's base salary, less any disability insurance benefits received by the Employee, and to provide the other benefits to which the Employee is entitled under Section 4 of this Agreement for one year after such termination, and shall pay the incentive bonus, if any, which termination and shall pay the incentive bonus, if any, which otherwise would have been paid to the Employee on the basis of the results for the fiscal year in which such termination occurs, prorated to the date of such termination. For purposes of this Agreement, the Employee shall be considered disabled on the date when physical or mental illness or other incapacity shall, in the judgement of a majority of the members (other than the Employee) of the Board, after consulting with or being advised by one or more physicians (it being understood that one of such physicians may be the Employee's physician but that the Board shall not be bound by his or her views), have prevented the performance in a manner reasonably satisfactory to the Company and WearGuard of the Employee's duties under this Agreement for a period of six consecutive months

(c) For cause. The Company or WearGuard may by notice terminate the Employee's employment hereunder at any time for cause, which shall mean (i) failure by the Employee to cure a material breach of this Agreement within 15 days after written notice thereof by the Company or of willful misconduct by the Employee in the performance of the Employee's duties hereunder or (ii) the commission by the Employee of any act constituting a felony. In such event all obligations of the Company and hereunder shall thereupon terminate (including the obligations to pay any bonus with respect to the fiscal year in which such termination occurs, but the Employee shall be entitled to receive any accrued salary and other bonuses accrued with respect to any prior fiscal years.

10. Approval of Board. The Company and WearGuard represent that this Agreement has been duly approved by their respective Boards of Directors and is in all respects valid and binding upon them.

11. Key Person Insurance. The Employee agrees to take such actions as may be reasonably required to permit the Company or WearGuard to maintain key person life insurance on the Employee's life in such amounts and for such periods of time, if any, as the Company or WearGuard deems appropriate, with all benefits being payable to the Company or WearGuard. Upon payment by the Employee of the cash surrender value, if any, of any such policy to the Employee upon termination (other than because of the Employee's death) of the Employee's employment with the Company and WearGuard, provided, however, that, in the event the Employee's employment is terminated by reason of the disability of the Employee and the death of the Employee may reasonably be expected within one year after such termination as a result of such disability, the Company or WearGuard, as the case may be, shall not be required to assign any such policy.

12. Notices. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be deemed to have been given and received when actually delivered, one business day after dispatch by telegraphic means, two business days after dispatch by recognized overnight delivery service, or five days after mailing by certified or registered mail with proper postage affixed, return receipt requested and addressed as follows (or to such other address as a party entitled to receive notice hereunder may have designated by notice pursuant to this Section 12):

(a) If to the Company:

J. Baker, Inc.
65 Sprague Street
Readville, Massachusetts 02137
Attn: President

(b) If to WearGuard:

WGS Corp.
65 Sprague Street
Readville, Massachusetts 02137
Attn: Chief Financial Officer

(c) If to the Employee.

Tom Connelly

13. Severability. If any provision of this Agreement or its application to any person or circumstances is invalid or unenforceable, then the remainder of this Agreement or the application of such provision to other persons or circumstances shall not be affected thereby. Further, if any provision or application hereof is invalid or unenforceable, then a suitable and equitable provision shall be substituted therefor in order to carry out so far as may be valid or enforceable the intent and purposes of the invalid and unenforceable provision.

14. Applicable Law. This Agreement shall be interpreted and construed in accordance with, and shall be governed by, the laws of the Commonwealth of Massachusetts without giving effect to the conflict of law provision thereof.

15. Assignment. None of the parties hereto shall, without the written consent of the others, assign or transfer this Agreement or any rights or obligations hereunder, provided, however, that in the event that the Company sells a majority of the common stock of WearGuard in one or more of a series of related transactions or either the Company or WearGuard sells all or substantially all of its assets, the Company and WearGuard may assign their rights and transfer their obligations hereunder to the purchaser of such stock or such assets. A merger of the Company or WearGuard with or into another corporation shall be deemed not to be an assignment of this Agreement, and, in any such event, this Agreement shall inure to the benefit of and be binding upon the surviving corporation and the Employee. Subject to the foregoing, this Agreement shall be binding upon, and shall inure to the benefit of, the parties and their respective successors, heirs, administrators, executors, personal representatives and assigns.

16. Headings. The section and paragraph headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

17. Remedies. It is specifically understood and agreed that any breach of the provisions of Section 7 or 8 of this Agreement is likely to result in irreparable injury to the Company and WearGuard, that damages at law will be an inadequate remedy for such breach, and that in addition to any other remedy they may have, the Company and WearGuard shall be entitled to enforce the specific performance of said Sections and to seek both temporary and permanent injunctive relief therefor without the necessity or proving actual damages.

18. Waiver of Breach. Any waiver by the Company, WearGuard or the Employee of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

19. Amendment of Agreement. This Agreement may be altered, amended or modified, in whole or in part, only by a writing signed by all of the parties hereto.

20. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter thereof and supersedes all prior agreements with respect to such subject matter between the parties.

Intending to be legally bound, the Company, WearGuard and the Employee have signed this Agreement as if under seal as of the date set forth at the head of the first page.

Tom Connell

J. BAKER, INC.

Jerry M. Socol
President

WGS CORP.